

No. 01-1015

**In The
Supreme Court of the United States**

VICTOR MOSELEY and CATHY MOSELEY, d/b/a
VICTOR'S LITTLE SECRET,

Petitioners,

v.

V SECRET CATALOGUE, INC., VICTORIA'S SECRET
STORES, INC., AND VICTORIA'S
SECRET DIRECT, LLC,

Respondents.

**On Writ Of Certiorari To The
United States Court Of Appeals
For The Sixth Circuit**

**BRIEF *AMICI CURIAE* OF PUBLIC KNOWLEDGE,
THE ELECTRONIC FRONTIER FOUNDATION, AND
ADBUSTERS MEDIA FOUNDATION IN
SUPPORT OF PETITIONERS**

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TABLE OF CONTENTS

	Page
TABLE OF AUTHORITIES	iii
STATEMENT OF INTEREST BY <i>AMICI CURIAE</i> ...	1
SUMMARY OF ARGUMENT	2
ARGUMENT	4
I. THE COURT SHOULD READ THE FTDA NARROWLY TO MAINTAIN THE EQUITA- BLE BALANCE OF INTERESTS IN TRADE- MARK LAW THAT PROTECTS SPEECH	4
A. Free Speech is Protected by the Tradi- tional Limitations on Trademark Rights, Particularly the Doctrine of Consumer Confusion	4
B. The Expansion of Trademark Law Has Increasingly Tipped the Balance in Fa- vor of Trademark Holders.....	7
II. THE COURT SHOULD READ THE FTDA NARROWLY TO LIMIT THE DANGER TO SPEECH POSED BY THE EXPANSION OF TRADEMARK LAW	11
A. Dilution Law Creates Monopolies in Words and Other Expressive Subject Matter, and Thereby Unduly Restricts Speech	11
B. Dilution Law Has a Particularly Harm- ful Effect on Civic Speech with Any Com- mercial Element.....	12

TABLE OF CONTENTS – Continued

	Page
C. Dilution by Tarnishment Evokes Grave First Amendment Concerns Because It Provides an Excessive Injunctive Remedy to Trademark Holders	16
III. A DECISION BY THIS COURT TO READ THE FTDA NARROWLY WOULD UPHOLD THE ESTABLISHED BALANCE THAT PROTECTS SPEECH IN TRADEMARK LAW.....	18
A. The Variety of Circuit Court Interpretations of the FTDA Demonstrates Serious Problems with this Act	18
B. The FTDA Requires Plaintiff to Prove Both Fame and Distinctiveness.....	20
C. The FTDA Requires That Marks Be Famous in the General Marketplace Rather Than Merely in Niche Markets	22
D. Congress Intended That the FTDA Only Apply Where the Goods Are Non-Competing	24
E. The FTDA Requires That Violative Marks Must Be Identical to Protected Marks	25
F. Congress Intended That The FTDA Only Apply to Marks that Signify Something Singular, Unique and Particular	25
G. This Court Should Recognize Equitable Principles in Granting a Dilution Cause of Action to Limit the Rights Granted by the FTDA	27
CONCLUSION.....	28
APPENDIX.....	App. 1

TABLE OF AUTHORITIES

Page

CASES

<i>Abercrombie & Fitch Co. v. Hunting World, Inc.</i> , 537 F.2d 4 (2d Cir. 1976)	21
<i>AMF Inc. v. Sleekcraft Boats</i> , 599 F.2d 341 (9th Cir. 1979).....	11
<i>Anheuser-Busch, Inc. v. Balducci Pub.</i> , 28 F.3d 769 (8th Cir. 1994).....	13
<i>Aranson v. Quick Point Pencil Co.</i> , 440 U.S. 257 (1979)	6
<i>Baker v. Selden</i> , 101 U.S. 99 (1880)	6
<i>Blockbuster Entertainment Group, Div. of Viacom, Inc. v. Layco, Inc.</i> , 869 F. Supp. 505 (E.D. Mich. 1994).....	8
<i>Bonito Boats, Inc. v. Thunder Craft Boats, Inc.</i> , 489 U.S. 141 (1989)	7
<i>Campbell v. Acuff-Rose Music Inc.</i> , 510 U.S. 569 (1994)	14
<i>Clairol, Inc. v. Holland Hall Products, Inc.</i> 165 U.S.P.Q. 214 (TTAB 1970).....	8
<i>Cohen v. California</i> , 403 U.S. 15 (1971)	11
<i>Deere & Company v. MTD Products, Inc.</i> , 41 F.3d 39 (2d Cir. 1994)	16, 17
<i>Eli Lilly & Company v. Natural Answers, Inc.</i> , 233 F.3d 456 (7th Cir. 2000).....	23
<i>Fox Film Corp v. Doyal</i> , 286 U.S. 123 (1932).....	6

TABLE OF AUTHORITIES – Continued

	Page
<i>Foxworthy v. Custom Tees, Inc.</i> , 879 F. Supp. 1200 (N.D.Ga. 1995).....	8
<i>Harper & Row Publishers, Inc. v. Nation Enter.</i> , 471 U.S. 539 (1989)	12
<i>Mishawaka Rubber & Woolen Mfg. Co. v. S.S. Kresge Co.</i> , 316 U.S. 203 (1942).....	10
<i>Meyer v. Grant</i> , 486 U.S. 414 (1988).....	17
<i>Montclair v. Ramsdell</i> , 107 U.S. 147 (1883)	20
<i>Morrison & Foerster, LLP v. Wick</i> , 94 F. Supp.2d 1125 (D. Colo. 2000).....	10
<i>Mutual of Omaha Insurance Co. v. Novak</i> , 836 F.2d 397 (8th Cir. 1987).....	13
<i>New York Times Co. v. United States</i> , 403 U.S. 713 (1971)	5
<i>Nabisco v. P.F. Brands</i> , 191 F.3d 208 (2d Cir. 1999).....	19, 21, 22, 23
<i>Payless Shoesource, Inc., v. Reebok Int. Ltd.</i> , 998 F.2d 985 (10th Cir. 1993).....	8
<i>People for Ethical Treatment of Animals, Inc. v. Doughney</i> , 113 F. Supp.2d 915 (E.D. Va. 2000).....	10
<i>Prestonettes, Inc. v. Coty</i> , 264 U.S. 359 (1924)	5
<i>Proctor and Gamble v. Johnson & Johnson</i> , 485 F. Supp. 1185 (S.D.N.Y. 1980).....	8
<i>Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. Utah Div. of Travel Dev.</i> , 170 F.3d 449 (4th Cir. 1999).....	18, 19
<i>Rock & Roll Hall of Fame and Museum v. Gentile Productions</i> , 134 F.3d 749 (6th Cir. 1998).....	9

TABLE OF AUTHORITIES – Continued

	Page
<i>Roton Barrier, Inc. v. Stanley Works</i> , 79 F.3d 1112 (Fed. Cir. 1996)	7
<i>Sony Corp. v. Universal City Studios Inc.</i> , 464 U.S. 417 (1984)	6
<i>Sporty’s Farm LLC v. Sportsman’s Market, Inc.</i> , 202 F.3d 489 (2d. Cir. 1986)	10
<i>TCIP Holding Co. v. Haan Communications, Inc.</i> , 244 F.3d 88 (2d Cir. 2001)	21
<i>Times Mirror Magazines, Inc. v. Las Vegas Sports News, L.L.C.</i> , 212 F.3d 157 (3d Cir. 2000)	20, 22, 23
<i>United Drug Co. v. Theodore Rectanus Co.</i> , 248 U.S. 90 (1918)	5
<i>United States and Department of Agriculture v. United Food, Inc.</i> , 533 U.S. 405 (2001)	14
<i>United States v. Menache</i> , 348 U.S. 528 (1955)	20
<i>United States Shoe Corp. v. Brown Group, Inc.</i> , 923 F.2d 844 (2d Cir. 1990)	12
<i>Va. State Bd. of Pharmacy v. Va. Citizen’s Consumer Council, Inc.</i> , 425 U.S. 748 (1976)	12, 17
<i>Viacom Inc. v. Ingram Ent.</i> , 141 F.3d 886 (8th Cir. 1998)	20, 23, 26, 27
<i>White v. Samsung Elecs. Am., Inc.</i> , 989 F.2d 1512 (9th Cir. 1993)	16
<i>Winans v. Denmead</i> , 56 U.S. 330 (1853)	7

TABLE OF AUTHORITIES – Continued

Page

TREATISES

- 2 J. Thomas McCarthy, *MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION* 4, 5, 21
- 3 J. Thomas McCarthy, *MCCARTHY ON TRADEMARKS, AND UNFAIR COMPETITION*..... 20

ARTICLES

- Adbusters, *Joe Chemo Ad*, No. 15, Adbusters Media Foundation (Autumn 1997) 15
- Rochelle C. Dreyfuss, *Expressive Genericity: Trademarks as Language in the Pepsi Generation*, 65 NOTRE DAME L. REV. 397 (1990) 17
- Neil Netanel, *Locating Copyright Within The First Amendment Skein*, 54 STAN. L. REV. 101, 111 (2001) 5
- Anthony Pearson, *Commercial Trademark Parody, The Federal Trademark Dilution Act, and the First Amendment*, 32 VAL. U.L. REV. 973, 979 (1998) 16
- Kenneth L. Port, *The “Unnatural” Expansion of Trademark Rights: Is a Federal Dilution Statute Necessary?*, 18 SETON HALL LEGIS. J. 433, 484 (1994) 9
- Frank Schechter, *The Rational Basis of Trademark Protection*, 40 HARV. L. REV. 813 (1927), reprinted in 60 TMR 334 (1970)..... 10, 26

TABLE OF AUTHORITIES – Continued

Page

STATUTES/LEGISLATION

<i>Agreement of Trade-Related Aspects of Intellectual Property Rights, Including Trade in Counterfeit Goods</i> , art. 16, Dec. 15, 1993, 33 I.L.M. 81	22
--	----

MISCELLANEOUS

The Electronic Frontier Foundation, at http://www.eff.org	1
Adbusters Media Foundation at http://adbusters.org/spoofads/tobacco/ (June 4, 2002).....	15

STATEMENT OF INTEREST BY *AMICI CURIAE*¹

This brief *amici curiae* in support of Petitioners is submitted by Public Knowledge, the Electronic Frontier Foundation and Adbusters Media Foundation (“*Amici*”) pursuant to Rule 37 of the rules of this Court. *Amici* urge this Court to hold in favor of Petitioners and reverse the judgment of the Sixth Circuit.

Public Knowledge is a public-interest advocacy and research organization that works with diverse creators, consumers, civic groups and enlightened businesses to ensure that public access, creativity and competition are embodied in the digital age.

Adbusters Media Foundation is a global network of artists, writers, students, educators, entrepreneurs and activists who offer critical commentary on commercial culture through social activism.

The Electronic Frontier Foundation (EFF) is a non-profit, civil liberties organization working to protect rights in the digital world. EFF actively encourages and challenges industry and government to support free expression, privacy and openness in the information society. Founded in 1990, EFF is based in San Francisco and maintains one of the world's most linked-to Web sites, www.eff.org.

¹ Letters from all parties consenting to the filing of this brief have been filed with the Clerk of this Court. No counsel for a party authored this brief in whole or in part, and no person or entity other than *amici curiae*, or their counsel made a monetary contribution to the preparation or submission of this brief. American University Washington College of Law, Glushko-Samuels Intellectual Property Law Clinic Dean's Fellows Christianna Lewis, Gunther Oakey and Gene Park prepared this brief under the supervision of Professors Christine Haight Farley, Victoria Phillips, Joshua Sarnoff and Peter Jaszi, Counsel of Record.

* * *

Amici are concerned with the grave speech implications of a broad reading of the Federal Trademark Dilution Act (“FTDA”) of 1996.² *Amici* are primarily concerned with the public domain and maintaining access and use rights to information. *Amici* support the traditional balance of trademark law that protects speech by using consumer the confusion analysis as the benchmark for protecting trademarks. The FTDA, read broadly, will have an impact on the public at large in their civic speech concerning trademark holders, and on consumers in their search for information on goods and services. This undermines both the rationale for trademark protection and the safeguards intentionally put in place by Congress and recognized by this Court to protect speech from encroachment by intellectual property law. *Amici* offer analysis of the effects of a broad dilution standard and thus submit this brief to urge this Court to rule in favor of Petitioners and provide guidelines for lower courts to read the FTDA narrowly.



SUMMARY OF ARGUMENT

This Court should narrowly interpret the FTDA to avoid unnecessarily restricting speech and competition. Trademark law has always struggled to balance the trademark holder’s rights with the public’s speech rights. Primarily this has been achieved through the confusion doctrine, which has set the boundary on trademark holders’ rights. Thus, unlike a monopoly, the rights of trademark holders extend only so far as to prevent confusion.

² 15 U.S.C. § 1127(c) (2002).

As in other areas of intellectual property law, the absence of certain rights is intentional and as important as the presence of other rights in the maintaining of an equitable balance. The FTDA, which creates a federal cause of action, fills a gap that represents an important element of the traditional balance in trademark law. Under the FTDA, the trademark holder has rights even where no confusion exists. This expansion of trademark law has radically tipped the balance in favor of trademark holders with no commensurate increase in public benefit.

The FTDA unduly restricts civic speech as it creates monopolies in words and other forms of expression, hurting citizens' ability to communicate and receive information. The pervasive nature of the commercial culture in American society makes trademarks a necessary part of effective civic commentary, especially regarding the trademark holder. The growing trend of courts to rule in favor of trademark holders when their marks are incorporated into speech chills civic speech. Specifically, dilution under the FTDA evokes grave freedom of speech concerns because it permits trademark holders to enjoin others' communications.

A broad reading of the FTDA also renders dilution a supplementary cause of action that mark holders can fall back on when they fail to meet the requirements for trademark infringement. Recognizing the dangerous impact such a broad interpretation of the FTDA could have on speech, courts have devised various methods to limit the scope of dilution. This could lead to the forum shopping the FTDA was enacted to prevent. Therefore, this Court should guide future federal dilution cases by establishing limitations supported by both the language of the FTDA and its legislative intent. These guidelines must also recognize the important speech concerns raised by

anything other than a narrowly drawn reading of the FTDA.



ARGUMENT

I. THE COURT SHOULD READ THE FTDA NARROWLY TO MAINTAIN THE EQUITABLE BALANCE OF INTERESTS IN TRADEMARK LAW THAT PROTECTS SPEECH.

A. Free Speech Is Protected by the Traditional Limitations on Trademark Rights, Particularly the Doctrine of Consumer Confusion.

Trademark law developed primarily to protect the interests of consumers in receiving reliable information about goods and services. This objective is accomplished by granting to the suppliers of such goods and services limited rights to regulate the misleading use of their brands and associated symbols. However, such a grant of rights has the potential to impinge upon the ability of society at large to communicate and receive information. Therefore trademark law places purposeful limitations on the rights of the trademark holder. Trademark holders do not “own” marks in the traditional property sense, but rather have limited rights in marks. These rights are only enforceable in situations where another’s use is likely to cause confusion.³ These limited rights endure so long as the mark is used continuously in commerce to indicate a

³ See 2 J. Thomas McCarthy, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION §2:32 (explaining that the limited, quasi-property right of trademark holders has extended from tort, rather than property law).

source to the consuming public, and can be lost if the holder fails to police the mark⁴ or abandons it.⁵

This Court has consistently found that trademark rights are not rights in gross, but are only appurtenant to the related business use.⁶ This proposition is served by the likelihood of confusion standard, which alleviates the tension between the specific interests of consumers and the broader free speech interest of the public in general.

The confusion doctrine serves as an important limitation that maintains the balance of trademark law. It creates an intentional gap in the law that is designed to ensure that trademark law does not intrude excessively upon protected speech. Trademark law, like any laws that place restrictions on the free circulation of information, must necessarily be sensitive to the speech guarantees of the First Amendment. The recognition of the public's right to access information has mandated that any set of such potentially encroaching laws incorporate a free speech "safety valve."⁷

One of the most fundamental elements of free speech in American society is the right to access information. This Court has recognized the availability of information as critical to democratic self-governance.⁸ Intellectual

⁴ See 2 MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 18:15.

⁵ 15 U.S.C. §1125 (2002).

⁶ See e.g., *Prestonettes, Inc. v. Coty*, 264 U.S. 359, 368 (1924) (finding that owner's rights extended only insofar as it prevents confusion), citing *United Drug Co. v. Theodore Rectanus Co.*, 248 U.S. 90, 97 (1918).

⁷ See Neil Netanel, *Locating Copyright Within The First Amendment Skein*, 54 STAN. L. REV. 101, 111 (2001).

⁸ See *New York Times Co. v. United States*, 403 U.S. 713, 717 (1971) (finding that the public, through its surrogate the press, has a right to

(Continued on following page)

property laws that facially restrict the flow of information, such as copyright and patent law, are designed to grant authors and inventors an economic incentive to innovate for the public good. But these rights are limited with the objective of making the information embodied in such innovations available to the public. Copyright⁹ and patent.¹⁰ recognize the social benefit of a robust public domain and public access to useful information.

Relying on a balance between private incentive and public benefit, Congress and the courts have consistently been mindful of the inherent dangers in extending intellectual property rights to create monopolies over words, images, expressions and innovations. To ensure that exclusive rights did not overwhelm public benefit, Congress has imposed substantial limitations on these rights. In copyright law, these limitations include the idea/expression dichotomy,¹¹ the limited copyright term,¹² the fair use doctrine¹³ and the originality requirement.¹⁴ In

access information, and emphasizing that, “[i]n the First Amendment, the Founding Fathers gave the free press the protection it must have to fulfill its essential role in our democracy”).

⁹ See *Sony Corp. v. Universal City Studios Inc.*, 464 U.S. 417, 431 (1984), quoting *Fox Film Corp v. Doyal*, 286 U.S. 123, 127 (1932) (explaining that the ultimate aim of the limited statutory monopoly provided by the Copyright Act was, “by this incentive, to stimulate the artistic creativity for the general public good”).

¹⁰ See *Aranson v. Quick Point Pencil Co.*, 440 U.S. 257, 264 (1979) (explaining that a central tenet of patent law is to assure that ideas in the public domain remain there for the free use of the public).

¹¹ See *Baker v. Selden*, 101 U.S. 99, 103 (1880) (emphasizing the clear distinction between a book and the art it is intended to illustrate).

¹² 17 U.S.C. §§ 302-303 (2002).

¹³ 17 U.S.C. § 107 (2002).

¹⁴ 17 U.S.C. §102(a) (2002).

patents, examples include the high standard of novelty,¹⁵ the short term of protection¹⁶ and the scope of the rights.¹⁷

The balance in trademark law has traditionally been sustained by the confusion doctrine and the limitations on the scope of subject matter that can be protected. These limitations are particularly important in maintaining the balance of trademark law because the Lanham Act¹⁸ does not subject trademarks to the many limitations that apply to copyrights and patents. Furthermore, trademarks do not have finite terms. Because of these differences, any expansion of trademark rights raises urgent First Amendment concerns.

B. The Expansion of Trademark Law Has Increasingly Tipped the Balance in Favor of Trademark Holders.

Over the past two decades, Congress and the courts have radically expanded the scope of trademark protection. This expansion of trademark rights is inconsistent with trademark's primary function of protecting consumers against confusion. In addition, it threatens the

¹⁵ See *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141, 159 (1989) (declaring that the requirements of non-obviousness and novelty were high standards).

¹⁶ 35 U.S.C. §154(a)(2) (2002) (stating that a patent is in force for twenty years minus the time the patent spent in application).

¹⁷ Patent infringement claims are limited by the doctrine of literal infringement, see, eg., *Roton Barrier, Inc. v. Stanley Works*, 79 F.3d 1112, 1125 (Fed. Cir. 1996), and the doctrine of equivalents, *Winans v. Denmead*, 56 U.S. 330 (1853)

¹⁸ 15 U.S.C. § 1052 (2002).

traditional balance that is the keystone of all intellectual property law.

Some lower courts have expanded the traditional inquiry of likelihood of confusion to take into account the confusion of third parties who may observe the product as used by the purchaser.¹⁹ Courts have liberally construed this type of “once-removed,” post-sale confusion and found it sufficient as a basis for finding against the defendant, even where no confusion was found on the part of actual consumers. Likewise, courts have occasionally expanded the confusion doctrine to include situations of “initial interest confusion” where the initial confusion is remedied at the time of sale.²⁰

In addition, Congress has made protection more widely available by lowering the standard for determining what constitutes “use.” Previously, the use requirement of the Lanham Act was interpreted to mean a specific *bona fide* use in interstate commerce.²¹ Congress has become increasingly permissive with this definition by allowing for protection based on intent to use,²² and constructive use.²³

Over the years, Congress has tended to treat trademark rights as full-fledged property rights in gross, and

¹⁹ See *Payless Shoesource, Inc., v. Reebok Int. Ltd.*, 998 F.2d 985 (10th Cir. 1993); See also *Foxworthy v. Custom Tees, Inc.*, 879 F. Supp. 1200 (N.D.Ga. 1995).

²⁰ See, e.g., *Blockbuster Entertainment Group, Div. of Viacom, Inc. v. Layco, Inc.* 869 F. Supp. 505 (E.D. Mich. 1994).

²¹ See *Clairol, Inc. v. Holland Hall Products, Inc.*, 165 U.S.P.Q. 214 (TTAB 1970) (requiring a usage that is more than merely sporadic, nominal or intended solely for trademark maintenance); *quoted in Proctor and Gamble v. Johnson & Johnson*, 485 F. Supp. 1185, 1206 (S.D.N.Y. 1980).

²² 15 U.S.C. §1051(a) (2002).

²³ 15 U.S.C. §1057(c) (2002).

has become increasingly receptive to the idea that simply because a trademark holder has invested in a mark, it deserves a right that is the functional equivalent to a monopoly in that mark.²⁴ The Lanham Act places few limitations on the subject matter of trademark, and trademark holders are testing its outer limits to extract as much protection as possible for their marks. There is every indication that trademark holders are taking advantage of the amorphous nature of subject matter like trade dress²⁵ to push the boundaries of protection beyond what can be justified by trademark's original goal of preventing consumer confusion.²⁶

Congress has further contributed to this relentless “creep” of trademark law with the passage of such legislative acts as the Anti-Cybersquatting Consumer Protection Act.²⁷ This Act strays from traditional trademark law by rejecting the confusion doctrine in favor of a test that relies solely on the bad faith of the defendant. Because it relies on a test of bad faith instead of confusion, the Act has no clear boundaries or standards, which is particularly dangerous in light of the fact that an imprecise line of distinction exists between bad faith and legitimate, innovative Internet marketing techniques. Contrary to its title, this Act goes against consumer protection by shifting the

²⁴ See Kenneth L. Port, *The “Unnatural” Expansion of Trademark Rights: Is a Federal Dilution Statute Necessary?*, 18 SETON HALL LEGIS. J. 433, 484 (1994).

²⁵ See *Rock & Roll Hall of Fame and Museum v. Gentile Productions*, 134 F.3d 749, 751 (6th Cir. 1998) (refuting a claim by plaintiff that various two-dimensional rendering of a building can be protected by trademark law).

²⁶ See *Id.*

²⁷ 15 U.S.C. § 1125(d)(1) (2002).

analysis away from the consumer confusion standard, and allows the chilling of commercial and satirical ventures on the Internet.²⁸

The most dramatic example of this incremental but steady expansion of trademark protection is the Federal Trademark Dilution Act. The right of anti-dilution was created explicitly to fill a gap in the law by providing a right of action where the trademark holder could not show a risk of consumer confusion. Professor Frank Schechter introduced the concept of trademark dilution in his 1927 Harvard Law Review article, arguing that famous and distinctive marks were threatened by their use on non-competing goods and services where there was no resulting confusion.²⁹ His fear was that the singular association in the mind of the public between the famous mark and the mark holder could be “blurred” by non-confusing, non-competitive uses, thus diminishing the distinctive nature of the mark. This argument assumes that a consumer cannot retain two or more thoughts regarding the association of a mark.

However questionable this assumption, anti-dilution law protects a value, the marketability or advertising quality of a mark, that is not recognized by traditional trademark law.³⁰ Trademark law maintains the balance

²⁸ See *Morrison & Foerster, LLP v. Wick*, 94 F. Supp. 2d 1125, 1130 (D. Colo. 2000) (focusing on whether a defendant has acted with a bad faith with intent to profit from the use of a mark); see also *Sporty’s Farm LLC v. Sportsman’s Market, Inc.*, 202 F.3d 489, 496 (2d. Cir. 1986); *People for Ethical Treatment of Animals, Inc. v. Doughney*, 113 F. Supp.2d 915, 921 (E.D. Va. 2000).

²⁹ See Frank Schechter, *The Rational Basis of Trademark Protection*, 40 HARV. L. REV. 813 (1927), reprinted in 60 TMR 334 (1970).

³⁰ See *Mishawaka Rubber & Woolen Mfg. Co. v. S.S. Kresge Co.*, 316 U.S. 203, 205 (1942).

between consumers and trademark holders by affording the latter only limited control over the use of protected marks. The new anti-dilution cause of action creates a property right in the mark itself, without proper limits. Construed broadly, this new right effectively expands trademark protection to afford a semblance of monopoly in the mark. Those first to establish their rights in a mark, the “senior users,” can enjoin others, or “junior users,” from employing a similar mark without considering consumer protection. Thus, dilution may unnecessarily tip the balance of protection in favor of those who hold the strongest, and therefore most protected,³¹ marks at the expense of a wide range of valuable speech, and with no countervailing benefit to the public.

II. THE COURT SHOULD READ THE FTDA NARROWLY TO LIMIT THE DANGER TO SPEECH POSED BY THE EXPANSION OF TRADEMARK LAW.

A. Dilution Law Creates Monopolies in Words and Other Expressive Subject Matter, and Thereby Unduly Restricts Speech.

Dilution law creates indefinite monopolies in expressive subject matter and obstructs the public’s ability to freely engage in a democratic dialogue.³² The First Amendment has always provided staunch protection for

³¹ Some courts have noted that the “strength of the mark” is one of the most influential factors in an infringement test. *See, e.g., AMF Inc. v. Sleekcraft Boats*, 599 F.2d 341, 349 (9th Cir. 1979) (“a strong mark is afforded the widest ambit of protection. . . .”)

³² *See Cohen v. California*, 403 U.S. 15, 26 (1971) (recognizing that the elimination of particular words poses a substantial risk of suppressing ideas in the process).

civic speech, and this Court has recognized that First Amendment protection extends to commercial speech as well, albeit to a lesser extent.³³ Because the first two attempts to pass federal anti-dilution legislation failed due to concerns that it would suppress constitutionally protected speech, Congress was aware of the potentially serious damaging effects that dilution could have on freedom of expression.³⁴ Thus the FTDA does explicitly recognize a limited fair use exception for comparative advertising, and others for non-commercial use, news reporting and commentary. However, these exceptions are extremely narrow in scope as they have been interpreted by the courts. In comparison, for example, the fair use exception in copyright law is far broader, as noted earlier.³⁵ To protect speech, this Court should provide guidelines directing that exceptions to the FTDA should be read broadly.

B. Dilution Law Has a Particularly Harmful Effect on Civic Speech with Any Commercial Element.

In general, the FTDA does not distinguish between pure commercial speech that has no purpose except to

³³ See *Va. State Bd. of Pharmacy v. Va. Citizen's Consumer Council, Inc.*, 425 U.S. 748, 757 (1976) (recognizing the public's need for information about the pharmaceutical market in order to make informed policy and consumer decisions).

³⁴ 141 CONG. REC. H14318 (daily ed. Dec. 12, 1995) (remarks of Rep. Moorehead).

³⁵ Compare *Harper & Row Publishers, Inc. v. Nation Enter.*, 471 U.S. 539, 556 (1989) (describing the relevant factors as to what is fair use under copyright law), with *United States Shoe Corp. v. Brown Group, Inc.*, 923 F.2d 844 (2d Cir. 1990) (discussing the limited exceptions for fair use in trademark law).

propose a transaction and civic speech that has some commercial aspect. Prior to the FTDA, the Lanham Act only provided relief to the trademark holder where a likelihood of confusion could be found. This hallmark of infringement analysis afforded a modicum of protection to speech of a mixed civil/commercial character, including critical speech.

For example, under trademark confusion analysis, a court would not be likely to find that a meaningful portion of consumers would assume that a well-known company was in some way responsible for or affiliated with the use of its trademark on T-shirts and bumper stickers sold in support of a labor protest by its workers. However, anti-dilution law has shifted the judicial inquiry away from the confusion doctrine, discounting the civic nature of speech and focusing on its commercial character to assess liability.

The focus on commercial use as a benchmark test of liability is particularly troublesome because the FTDA's exception for non-commercial use relies on a bright line between civic and commercial speech, only protecting the most pristine forms of civic speech and condemning civic speech with even the slightest commercial element.³⁶ This overly technical adherence to the distinction between commercial speech and civic speech appears to be in

³⁶ Previous cases have demonstrated that civic speech tainted with magazine sales, *Anheuser-Busch, Inc. v. Balducci Pub.*, 28 F.3d 769, 775 (8th Cir. 1994), or T-shirt sales, *Mutual of Omaha Insurance Co. v. Novak*, 836 F.2d 397, 402 n.8 (8th Cir. 1987), are not deemed "non-commercial" speech by the courts. This approach was intended by Congress to be carried forward into the FTDA. See H.R. REP. NO. 104-374, at 4 (1995).

tension with this Court’s recent recognition of the dwindling distinction between these two constitutionally protected forms of speech.³⁷

Reliance on such a “bright line” distinction ignores the fact that effective speech is rarely without some commercial component. Many activist groups rely on the income created by selling T-shirts, stickers and books to fund their work, and their websites may use banner ads to pay for maintaining the site. Yet, under the FTDA, critical websites or articles that generate incidental revenue either through advertising or merchandise sales still could be found sufficiently commercial to be subject to an injunction. This treatment has the potential to nullify the expressive use of trademarks in speech that mixes civic and commercial elements.

An example is *amicus*, the Adbusters Media Foundation and its magazine, Adbusters. This publication features advertisement parodies, known as “subvertisements,” which use trademarks and corporate logos to create awareness about social and political issues. For example, one issue featured “Joe Chemo,” a parody of the “Joe Camel” character used by Camel cigarettes, to raise

³⁷ See *United States and Department of Agriculture v. United Food, Inc.*, 533 U.S. 405, 418 (2001) (where Justice Thomas noted in his concurrence with this Court that, “paying money for the purposes of [truthful] advertising involves speech and that compelling speech raises a First Amendment issue just as much as restricting speech. Any regulation that compels the funding of advertising must be subjected to the most stringent First Amendment scrutiny”); see also *Campbell v. Acuff-Rose Music Inc.*, 510 U.S. 569, 585 (recognizing the difficulty in finding a clear line of distinction, but nonetheless held that the commercial nature of a copyright parody does not render the Copyright Act’s statutory fair use doctrine inapplicable).

awareness of the health issues surrounding smoking.³⁸ These parody ads represent a type of important civic speech that makes critical commentary on the mark holder, furthering the traditional goals of trademark law by giving the consumer information on the goods and services they purchase. Yet while predominantly civic in nature, the commercial element of the magazine would mean that its critical speech could be silenced under the FTDA.

From its inception, the United States has had a democratic tradition of using satire and parody to lampoon the wealthy and powerful and criticize public entities including business concerns. Like other forms of critical civic speech, parody enjoyed a measure of protection prior to the FTDA, since an effective parody necessarily avoided confusion in conveying its message. Whereas the truthful parodist or the critic may have escaped liability under a straightforward infringement analysis, it is unlikely that such a vindication would result under the FTDA because of its strict treatment of civic speech that is nominally “commercial.”

Dilution also chills the pure commercial speech of actual or potential new businesses by erecting far-reaching, impregnable fences around the strongest marks, at the expense of new market entrants. This would effectively chill the latter’s First Amendment rights to communicate in connection with competition in the marketplace, as many would be reluctant to cultivate a mark similar to

³⁸ See Adbusters, *Joe Chemo Ad*, No. 15, Adbusters Media Foundation (Autumn 1997); see also Adbusters, *Spoof Ads: Tobacco*, Adbusters Media Foundation at <http://adbusters.org/spoofads/tobacco/> (June 4, 2002) (For this example, see appendix).

an existing one, regardless of the absence of competition between the products involved, for fear of litigation.

Although the commercial quality of a junior use may be a relevant inquiry in dilution analysis, a more salient concern is the critical issue of free expression.³⁹ As Ninth Circuit Judge Kozinski noted, “[i]n our pop culture where salesmanship must be entertaining and entertainment must sell, the line between commercial and non-commercial speech has disappeared.”⁴⁰ Although Congress characterized the non-commercial use exception included in the FTDA as adequate to accommodate First Amendment concerns, case law construing the Act has hardly vindicated this optimistic appraisal.

C. Dilution by Tarnishment Evokes Grave First Amendment Concerns Because It Provides an Excessive Injunctive Remedy to Trademark Holders.

The FTDA poses a further constitutional concern by allowing a claim for dilution not only by “blurring,” but by so-called “tarnishment” as well: “Tarnishment generally arises when the plaintiff’s trademark is linked to products of shoddy quality, or is portrayed in an unwholesome or unsavory context likely to evoke unflattering thoughts about the owner’s product.”⁴¹ Dilution by tarnishment

³⁹ Anthony Pearson, *Commercial Trademark Parody, The Federal Trademark Dilution Act, and the First Amendment*, 32 VAL. U.L. REV. 973, 979 (1998).

⁴⁰ *White v. Samsung Elecs. Am., Inc.*, 989 F.2d 1512, 1519 (9th Cir. 1993) (Kozinski, J., dissenting from the denial of rehearing *en banc*).

⁴¹ *Deere & Company v. MTD Products, Inc.*, 41 F.3d 39, 43 (2d Cir. 1994).

provides trademark holders with yet another cause of action to silence unfavorable critical speech.

Taken in conjunction with the general lack of safeguards for critical speech and parody in the FTDA, it is not difficult to foresee that any unwelcome reference to a trademark could potentially be held violative of the statute on tarnishment grounds. In addition to suppressing civic speech that is nominally commercial, a broad application of dilution by tarnishment also chills pure commercial speech. This Court has recognized the value of commercial speech and held that First Amendment protection extends to it as well.⁴² However, the dilution by tarnishment claim chills commercial speech. For example, in *Deere v. MTD*⁴³ the Second Circuit found dilution by tarnishment where a competitor showed Deere's trademark, a running deer, fleeing from the competitor's tractor.

What the *Deere* court and others have failed to recognize is that trademarks have a huge impact on our shared culture. Through advertisements, commercials, and other promotional efforts by mark holders, trademarks have become essential to the communication about the particular good or service,⁴⁴ often representing the most effective means by which to state a position.⁴⁵

⁴² See *Va. State Bd. of Pharmacy v. Va. Citizen's Consumer Council, Inc.*, 425 U.S. 748, 761 (1976).

⁴³ *Deere & Company*, 41 F.3d 39.

⁴⁴ Rochelle C. Dreyfuss, *Expressive Genericity: Trademarks as Language in the Pepsi Generation*, 65 NOTRE DAME L. REV. 397 (1990).

⁴⁵ See *Meyer v. Grant*, 486 U.S. 414 (1988) (stating that the First Amendment not only protects the right to advocate a cause, but also the right to select the most effective means to do so).

III. A DECISION BY THIS COURT TO READ THE FTDA NARROWLY WOULD UPHOLD THE ESTABLISHED BALANCE THAT PROTECTS SPEECH IN TRADEMARK LAW.

The FTDA has produced a conflict among the Circuits that will be reduced by an appropriate construction of the statute to alleviate the burdens on speech. We urge this Court to adopt the several approaches suggested here in reading the FTDA narrowly. Only by limiting the scope of the FTDA can courts avoid the chilling of many types of valuable speech.

A. The Variety of Circuit Court Interpretations of the FTDA Demonstrates Serious Problems with this Act.

Circuit courts have attempted to maintain the balance of trademark law by limiting the scope of the FTDA. In their efforts to construe the FTDA, courts have used different means to limit its scope. The strikingly different readings of the Fourth and Second Circuits are examples of this search for meaningful limitations on an otherwise monopolistic right.

In *Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. Utah Div. of Travel Div.*,⁴⁶ the Court of Appeals for the Fourth Circuit was wary of the broad rights granted in the FTDA. There the court, reacting to the absence of any meaningful test in the FTDA to limit its application, seized

⁴⁶ 170 F.3d 449, 455 (4th Cir. 1999) (finding that “[s]ome courts, and numerous commentators, expressed fear that the uncertain limits of the antidilution cause of action would unduly expand the ability of trademark owners to monopolize language and inhibit free competition.”)

on a requirement that plaintiffs demonstrate some kind of concrete harm.⁴⁷ Thus the court found that “the [FTDA] proscribes and provides remedy only for actual, consummated, dilution. . . .”⁴⁸ This “actual harm” standard, significantly reins in the rights of trademark holders under the FTDA.

The Court of Appeals for the Second Circuit in *Nabisco v. Pepperidge Farms Brands*⁴⁹ was critical of the actual harm standard because it requires plaintiffs to suffer injury before bringing suit. The court agreed with the Fourth Circuit that the FTDA should be read narrowly.⁵⁰ However, the Second Circuit viewed dilution as an irreparable harm for which injunctive relief is available; therefore it concluded that an action should lie prior to any actual injury.

Like the Fourth Circuit, the Second Circuit was determined to devise a rigorous test for dilution. To do so, it developed a factor test for the likelihood of harm by dilution.⁵¹ Unfortunately, the Second Circuit unwittingly incorporated a confusion analysis in its standard.

The Second Circuit’s interpretation of the FTDA is problematic because it disregards the intent of Congress by inserting a confusion analysis in the Act. This likelihood of harm standard is dangerous because it allows trademark owners to use dilution under the FTDA as a

⁴⁷ *See id.* at 457.

⁴⁸ *Id.* at 458.

⁴⁹ *Nabisco v. P.F. Brands*, 191 F.3d 208, 216 (2d Cir. 1999).

⁵⁰ *See id.* at 216 (stating that a mark must be both famous and distinctive, and that, “[a] mark that, notwithstanding its fame, has no distinctiveness is lacking the very attribute that the antidilution statute seeks to protect”).

⁵¹ *Id.* at 215.

“tack-on” cause of action where the likelihood of confusion standard of traditional trademark law cannot be met.⁵²

For its part, the Eighth Circuit in *Viacom* properly recognized that dilution must be applied narrowly, lest it become a rogue law that “turns every trademark, no matter how weak, into an anti-competitive weapon.”⁵³ This Court should construe the FTDA narrowly, subject to the following criteria derived from the language of the FTDA and the underlying legislative intent.

B. The FTDA Requires Plaintiff to Prove Both Fame and Distinctiveness.

Congress intended dilution protection only to apply to marks that are both distinctive *and* famous. Requiring proof of these as separate elements will narrow the scope of the FTDA to those marks that truly deserve dilution protection.

The FTDA expressly requires plaintiff’s mark to be both “distinctive and famous.”⁵⁴ Under the rules of statutory interpretation, “a court should ‘give effect, if possible, to every clause and word of a statute.’”⁵⁵ Therefore, the terms distinctive and famous must be read as essential, separate elements.

Distinctiveness is better understood as relating to the inherent qualities of the mark, as one that is either

⁵² See *Times Mirror Magazine v. Las Vegas Sports News*, 212 F.3d 157, 179 (3d Cir. 2000).

⁵³ See *Viacom Inc. v. Ingram Ent.*, 141 F.3d 886, 891 (8th Cir. 1998), quoting 3 MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 24.91, at 24-119.

⁵⁴ See 15 U.S.C. § 1125(c)(1) (2002).

⁵⁵ *United States v. Menache*, 348 U.S. 528, 538-539 (1955), quoting *Montclair v. Ramsdell*, 107 U.S. 147, 152 (1883).

fanciful or arbitrary. Indeed, the concept of inherent distinctiveness is well established in trademark jurisprudence.⁵⁶ A mark's fame, by contrast, is a matter of public attitude or perception. Thus, the Court of Appeals for the Second Circuit has stated that, "[d]istinctiveness in a mark is a characteristic quite different from fame."⁵⁷

The Second Circuit also has held that a mark is precluded from gaining the protection provided by the FTDA unless it is inherently distinctive.⁵⁸ Since the FTDA protects against the mark's "distinctive quality," trademark owners seeking protection under the Act must establish that their marks possess such a quality, in addition to fame, in order to claim dilution.⁵⁹

Not all famous marks are distinctive. Fame is determined by the "famousness factors."⁶⁰ Distinctiveness is only one of these factors, which also include the degree of recognition in the mark, the duration and extent of advertising, and the geographical extent in which the mark

⁵⁶ See *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4 (2d Cir. 1976); 2 MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 11:4.

⁵⁷ See *Nabisco v. P.F. Brands*, 191 F.3d 208, 216 (2d Cir. 1999) (stating that "It is quite clear that the statute intends distinctiveness, in addition to fame, as an essential element").

⁵⁸ *TCIP Holding Co., v. Haar Communications, Inc.*, 244 F.3d 88, 93 (2d Cir. 2001)

⁵⁹ See *Nabisco*, 191 F.3d at 216 (stating that a mark, notwithstanding its fame, that has no distinctiveness is lacking the very attribute the anti-dilution statute seeks to protect.)

⁶⁰ 15 U.S.C. § 1125(c)(1)(A)-(H) (2002).

is used.⁶¹ While some courts have recognized that distinctiveness is just one factor in the fame test,⁶² others have erroneously granted famous marks automatic distinctiveness.⁶³ By conflating these elements, these courts act contrary to the clear language of the Act.

C. The FTDA Requires That Marks Be Famous in the General Marketplace Rather Than Merely in Niche Markets.

Congress intended that courts should interpret the FTDA to apply only to marks that have acquired general fame, not marks that are simply “well-known”⁶⁴ in a particular market segment or among a particular specialized group of consumers. The only market-related criterion the FTDA explicitly identifies in connection with “famousness” is the “geographical extent of the trading area in which the mark is used.”⁶⁵ This geographical market definition should not be interpreted to allow famousness in a niche market to qualify a mark for dilution protection.

⁶¹ 15 U.S.C. 1125(c)(1) (2002).

⁶² See *Nabsico v. P.F. Brands*, 50 F. Supp. 2d 188, 215 (S.D.N.Y. 1999).

⁶³ See *Times Mirror Magazines*, 212 F.3d at 167.

⁶⁴ See *Agreement on Trade-Related Aspects of Intellectual Property Rights, Including Trade in Counterfeit Goods*, art. 16, Dec. 15, 1993, 33 I.L.M. 81 (employing “well-known” to designate marks that have attained a high level of recognition in a particular sector. Congress was aware of this language choice as TRIPS was recently concluded at the time the FTDA was enacted).

⁶⁵ 15 U.S.C. 1125(c)(1)(D) (2002).

Nothing in the legislative history of the FTDA supports the “niche fame” theory.⁶⁶

Fame is determined by the “famousness factors” listed in the FTDA, which analyze the degree of secondary meaning achieved.⁶⁷ In his dissenting opinion, Judge Barry of the Third Circuit recognized in *Times Mirror Magazines v. Las Vegas Sports News, L.L.C.*⁶⁸ that the FTDA was intended to apply only to truly famous marks. He warned that the FTDA would surely “devour” trademark infringement law “if marks can be ‘famous’ within some market,” irrespective of “how narrowly that market is defined.”⁶⁹

Courts generally agree that only truly famous marks, established by the famousness factors, deserve protection.⁷⁰ However, some have been willing to protect marks that are famous only in a niche market even though the clear language of the FTDA does not authorize such protection.⁷¹ Limiting dilution protection to marks that are famous in the general marketplace rather than merely in niche markets will narrow the category of marks entitled to this expansive right and thereby protect speech.

⁶⁶ Indeed, the illustrative examples of FTDA protected marks, such as Dupont, Kodak, and Buick, were all nationally famous. 141 CONG. REC. S.19310 (daily ed. Dec. 29, 1995) (remarks of Sen. Hatch.).

⁶⁷ See 15 U.S.C. § 1125(c)(1)(F) (2002).

⁶⁸ See *Times Mirror Magazines*, 212 F.3d at 174 (Barry, J., dissenting) (claiming that the FTDA only applies to marks that have achieved national fame).

⁶⁹ See *id.*

⁷⁰ See *Viacom Inc.*, 141 F.3d at 888. (stating that the FTDA protects famous marks); See e.g., *Nabisco*, 191 F.3d at 216; *Eli Lilly & Company v. Natural Answers, Inc.*, 233 F.3d 456 (7th Cir. 2000).

⁷¹ See *Times Mirror Magazines*, 212 F.3d at 174.

D. Congress Intended That the FTDA Only Apply Where the Goods Are Non-Competing.

Congress intended for dilution law to apply only to goods and services that are non-competing. The legislative history of the Act refers back to Professor Schechter's famous article and explicitly notes that it proposed a right in the case of non-competing goods.⁷² While the FTDA does not explicitly state that marks involved in dilution claims must be non-proximate, Congress did make this requirement very clear in the illustrative examples cited in the legislative history. Such actionable marks included DUPONT shoes, BUICK aspirin and KODAK pianos.⁷³ These examples demonstrate that the FTDA was intended only to protect marks that were non-proximate.

By limiting dilution to only non-proximate goods and services this Court will help ensure that dilution protection is not overbroad. Moreover, adopting this requirement prevents an overlap of dilution and traditional confusion-based infringement claims. Trademark holders may require special anti-dilution protection where their mark is being used on non-competing goods; the less proximate goods are to each other, the less likely it is that a consumer will be confused into concluding that they stem from the same source. Competitive uses, which are more likely to lead to confusion, should be regulated solely under traditional trademark law.

⁷² 141 CONG. REC. H14317 (daily ed. Dec. 12, 1995) and S.19310 (daily ed. Dec. 29, 1995) (remarks of Rep. Moorehead and Sen. Hatch, referring to Schechter, 40 Harv. L. Rev. 813).

⁷³ See H.R. REP. NO. 104-374, at 3 (1995).

E. The FTDA Requires That Violative Marks Must Be Identical to Protected Marks.

The FTDA requires plaintiff's and defendant's marks to be identical in order to come within the Act. The plain language of the Act states that "subsequent, unauthorized commercial use *of a mark*" is "prohibited."⁷⁴

Congress intended that an action should be available only when the protected mark itself has been used. Since dilution provides the functional equivalent of monopoly rights in words and symbols, it must be strictly limited. Without such a limitation, dilution and infringement causes of action would overlap, broadening the reach of both dilution and the confusion doctrine at the expense of protected speech. Requiring that marks be identical is a logical limit in dilution law because trademark holders already enjoy protection from merely similar marks under trademark infringement.

F. Congress Intended That the FTDA Only Apply to Marks that Signify Something Singular, Unique and Particular.

Congress intended that the FTDA only apply to marks with a singular meaning in order to limit the type of marks that can receive this protection, and thus protect speech against the chilling effect of dilution claims. The House Report on the FTDA states that dilution occurs when the unauthorized use of a mark reduces the public's perception that the mark signifies something "unique,

⁷⁴ 15 U.S.C. §1125(c) (2002) (*Italics added*). Had it intended otherwise, Congress could have referred, as it has elsewhere in the Lanham Act, to a "colorable imitation." *See, e.g.*, 15 U.S.C. §§ 1114, 1116, 1118, 1127 (2002).

singular or particular.”⁷⁵ In his seminal article, Professor Schecter argued that the preservation of a trademark’s singular meaning should constitute the only rational basis for its protection.⁷⁶ With this category of “super marks” in mind, Congress intended to limit this right in order to ensure that trademark holders were prevented from exercising control over language itself. Underlying the limiting principle of singularity was the recognition that a dilution action effectively awards the trademark holder a monopoly in the use of the mark, which can have a chilling effect on civic and commercial speech, unless appropriately checked.

In *Viacom Inc. v. Ingram Enterprises, Inc.*,⁷⁷ the Eighth Circuit recognized that the word “Blockbuster” had several meanings and therefore, did not merit dilution protection. The court stated, “the fact that Viacom is seeking a complete monopoly on the use of rather a common word with multiple meanings would make us hesitate to uphold summary judgment. . . .”⁷⁸ The Eighth Circuit thus recognized the damaging effect dilution could have on language and it appropriately limited the plaintiff’s ability to restrict others’ use of a common term. Delta Faucets, Delta Dental and Delta Airlines may all be famous marks, however their lack of singularity should bar them from receiving dilution protection.⁷⁹

⁷⁵ H.R. REP. NO. 104-374 at 3 (1995).

⁷⁶ See Schechter, 40 HARV. L. REV. 813.

⁷⁷ 143 F.3d 886 (8th Cir. 1998).

⁷⁸ *Viacom Inc. v. Ingram Enters. Inc.*, 143 F.3d 886, 892 (8th Cir. 1998).

⁷⁹ This is a separate requirement from the requirement that the mark be inherently distinctive. As the Delta example illustrates, a

(Continued on following page)

G. This Court Should Recognize Equitable Principles in Granting a Dilution Cause of Action To Limit the Rights Granted by the FTDA.

Even after the plaintiff has demonstrated all of the essential elements of dilution, a court must analyze whether an injunction would be fair and reasonable considering all the circumstances of the case. The FTDA states that the plaintiff's rights are "subject to the principles of equity."⁸⁰ Therefore, even though all of the elements are demonstrated, equity may dictate that the relief sought not be granted. In situations where the junior use is *de minimus* and therefore not likely to harm the senior user, an injunction is inappropriate.

The Eighth Circuit recognized this additional limitation in the FTDA and stated that relief was "subject to the discretion of the court and the principles of equity."⁸¹ It determined that when the use was otherwise lawful and resulted in the acquisition of a valuable and legitimate property interest without harm or confusion to the senior user's mark, it would be inequitable for a court to grant relief in an anti-dilution action.⁸²



mark can be famous, arbitrary and still unsuitable for protection under the FTDA.

⁸⁰ 15 U.S.C. § 1125(c)(1) (2002); *see supra* note 53, and accompanying text.

⁸¹ *Viacom*, 141 F.3d at 890.

⁸² *See id.*

CONCLUSION

For the forgoing reasons, *Amici* respectfully urge this Court to limit the FTDA to marks that are inherently distinctive, singular in meaning, identical to the accused mark and used on non-proximate goods where equitable principles dictate relief. Upholding these limitations will help to ensure that the FTDA does not unnecessarily encroach upon free speech.

Respectfully submitted,

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APPENDIX



